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THE WHEAT SITUATION
Including Rye

Summary

World wheat supplies 1/ for the year beginning July 1, 1939, are now indicated to be about 5,464 million bushels, or about 275 million bushels more than in 1938-39. Increases in carry-over stocks July 1, 1939 more than offset the decrease in production. World stocks of old wheat 1/ on July 1 were estimated at about 1,200 million bushels or about 600 million bushels more than a year earlier. World wheat production 1/ is now estimated at about 4,264 million bushels, or about 325 million bushels less than in 1938. The crop in the Northern Hemisphere is estimated to be about 3,790 million bushels, or about 225 million bushels less than the harvest of 1938. On the basis of weather conditions to date, a reduction of about 100 million bushels is indicated for the Southern Hemisphere countries.

Wheat supplies in the United States for the year beginning July 1, 1939 are estimated at 990 million bushels, or about 100 million bushels less than in 1938-39. Domestic disappearance for the year beginning July 1, 1939, is forecast at about 695 million bushels. Deducting this from the estimated supply leaves 295 million bushels for export or carry-over. If exports should turn out to be near the 10-year (1928-37) average of about 70 million bushels. This would result in a carry-over on July 1, 1940 of about 225 million bushels.

1/ All references to world production and stocks in this report exclude the U.S.S.R. and China, except where noted.

The prospective demand for wheat and availability of transport facilities are not sufficiently clear at this time to indicate probable world movement of wheat. However, it is not expected that world wheat and flour shipments for the year beginning July 1, 1939 will be greatly different from shipments in the year just past, when they totaled about 600 million bushels. On the other hand, the general level of commodity prices is expected to remain higher than last year.

A marked reduction in wheat acreage in Europe is not expected for the 1940 harvest. Probable declines in the areas where military operations are in progress are likely to be at least partly offset by increases in neutral countries and in the United Kingdom. It is not expected, therefore, that the world acreage in 1940 will be greatly different from the acreage this year, which with average yields per acre would again result in a crop fully ample to take care of likely world consumption without reducing the large carry-over stocks.

Wheat supplies in the United States at 990 million bushels are about the same as in 1914. World wheat supplies of 5.5 billion bushels are considerably larger than in 1914 when they totaled 3.5 billion bushels. Compared with world shipments of about 600 million bushels in 1938-39, world shipments in 1914-15 were 556 million bushels. Stocks in importing countries are very large at present while in 1914 they were only average. This year Canada and Argentina have very large supplies. This is also different from 1914 when unusually large exports from the United States were possible because of very small crops in Canada and Australia at a time the United States had a record crop.

Wheat prices in the United States are high relative to export parity levels, as a result of a United States crop only moderately above annual

domestic disappearance, a relatively large proportion of the wheat crop being placed for loan, and the continuance of the export-aid program in 1939-40. Wheat prices now are somewhat above loan values, prices at Kansas City averaging about 9 cents over the loan rate at that market.

Analyses of the loan and export subsidy programs in 1938-39 made by the Bureau appear to indicate no appreciable effect of the export subsidy on world wheat prices. The Bureau's analyses further indicate that the American wheat growers were benefited to the extent of about 57 million dollars by the combined loan and subsidy programs. This would amount to about 17-1/2 cents per bushel for the September-June period in which the programs were in operation.

The world rye crop in 1939 will again be large. To date reports for only 15 countries have been received, which in 1938 represented only about 45 percent of the total world production. Production in these 15 countries is estimated at 480 million bushels, compared with 469 million bushels in 1938.

THE WORLD WHEAT SITUATION 2/ FOR THE 1939 CROP

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, largely as a result of increased acreage. 2/ From 1934 to 1936 world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With the return of more normal yields on the large acreage, supplies in 1938 were again large - the largest on record up to that time.

Total world shipments of wheat averaged 751 million bushels for the period 1923-37, reached a peak of 913 million bushels in the year beginning July 1928, and then declined sharply, largely as a result of the measures taken by importing countries to reduce the use of foreign wheat. For the year beginning July 1, 1938, world shipments were 598 million bushels.

2/ All references to world production and stocks in this report exclude the U.S.S.R. and China, except where noted.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was due largely to the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved steadily upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938 world prices again declined sharply as a result of the record world production and weakness of demand.

World crop prospects indicate a decrease of about 325 million bushels

World production of wheat in 1939 is now estimated at 4,264 million bushels, compared with the 1938 record production of 4,588 million bushels. This reduction of 324 million bushels, or 7 percent, took place mainly in the United States, in Europe, other than the countries of the Danube Basin, and in the forecast for Argentina. Slight reductions in estimates are noted for the Danubian countries, i.e., Bulgaria, Hungary, Rumania and Yugoslavia, and for Asia, excluding China, (table 12). The reductions are, however, partly offset by the large increase in the Canadian estimate, and in that for Northern Africa.

The first official estimate of the total production in Canada in 1939 is placed at 449,058,000 bushels. This estimate is 99,048,000 bushels larger than the 1938 crop, and is the fourth largest crop on record. The estimate was unexpectedly high, in view of reported damage from drought in July, which resulted in the official condition figure dropping from 102 on July 1 to 89 on August 1. On the basis of this condition and further reports of damage during August, the Bureau's estimate was considerably below the official report. The estimated production is made up of 22,418,000 bushels of fall wheat, 11,500,000 bushels of durum, and 415,140,000 bushels of other spring wheat.

A much heavier than normal June rainfall was responsible for the significant increase in wheat yields in the Prairie Provinces this year. Excessively high temperatures and dry weather during July and August, however, prevented proper filling, over wide areas, with consequent lowering of both yields and grades. Accordingly, while the crop this year is much larger than that of a year ago, a wider range in quality is expected this year, with a somewhat larger proportion of wheat failing to make the contract grades. It is not expected, however, that there will be any shortage of the top grades.

The 1939 European wheat crop is estimated to be about 8 percent below the record crop of last year, but still above average. Total wheat production this year in Europe is estimated to be about 1,710 million bushels, compared with the 1938 estimate of 1,859 million bushels (table 12). The smaller crop

this year is largely accounted for by the reduction in the per-unit yield which occurred in almost every European country. This decline in yield was brought about chiefly by unfavorable weather conditions which prevailed over wide areas during part of the growing and harvesting season.

The production estimate for Northern Africa indicates an increase of about 28 percent, compared with that of last year. This is an all-time record for these countries. Harvests larger than those of 1938 were reported in all of the important producing countries of Northern Africa.

In India the 1939 crop is estimated to be about 8 percent below the large 1938 harvest, but is still above average.

The production in Japan, now estimated at 61 million bushels, is 35 percent larger than the estimate for 1938. This estimate, however, is believed by the Shanghai office of the U. S. Foreign Service to be somewhat overestimated.

The first official estimate places the acreage sown in Argentina at 18,533,000 acres. Based on this acreage and on weather conditions to date, the production is now forecast at 230 million bushels.

This reduction from the previous estimate is based on reports from the Buenos Aires office of the Foreign Service, stating that high temperatures throughout most of the winter have caused abnormal development of the plant. This puts the crop in a condition unfavorable for withstanding frost damage. During the last of August, below freezing temperatures are reported to have caused some damage in most of Cordoba and in the central part of the Province of Santa Fe. It is stated that late sowings sustained the most damage. In other parts of the wheat zone the crop is in good condition but somewhat too advanced for this date.

The crop in Australia is reported to be progressing satisfactorily and the production is expected to be about 160 million bushels.

World supplies largest on record - much larger than in 1914

The decrease in world production of about 325 million bushels is much more than offset by an increase in world carry-over at the beginning of the current season of about 600 million bushels, and world supplies are the largest on record.

World supplies of wheat totaling about 5,464 million bushels are 58 percent larger than in 1914, while world consumption, totaling between 3,900 and 4,000 million bushels is only about 30 percent larger. Compared with 5.5 billion bushels in 1939, world wheat supplies in 1914 were estimated at about 3.5 billion bushels (table 1). Current supplies are expected to be about 1.5 billion bushels larger than the estimated prospective world disappearance for the year beginning July 1, 1939. The carry-over on July 1, 1940, on this basis, accordingly would

be about 300 million bushels larger than the 1,200 million bushels on July 1, 1939, and the largest on record. Total annual international trade in wheat is only about 600 million bushels annually.

Table 1.- Estimated world supply and distribution, averages 1924-28, 1928-37, and annual 1914, 1937-39

Item	1914	Average 1924-28	Average 1928-37	1937	1938 1/	1939 1/
	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil. bu.
Supplies						
Stocks, July 1	575	662	920	519	600	1,200
Production	2,884	3,546	3,768	3,852	4,588	4,264
Total	3,459	4,208	4,688	4,371	5,188	5,464
Net exports from U.S.S.R.	90	16	31	39	37	
Total supply	3,549	4,224	4,719	4,410	5,225	
Distribution						
Disappearance	3,050	3,502	3,793	3,810	4,025	
Stocks at end of year	499	722	926	600	1,200	

1/ Preliminary.

World production in 1940 may again exceed annual consumption

A marked reduction in wheat acreage in Europe is not expected this year. Probable declines in the areas where military operations are in progress are likely to be at least partly offset by increases in neutral countries and in the United Kingdom. It is not expected, therefore, that the world acreage in 1940 will be greatly different from the acreage this year, which with average yields per acre would again result in a crop fully ample to take care of likely world consumption without reducing the carry-over stocks.

Wheat production in Western European countries averaged about 14 percent lower in the 5 years beginning in 1914 than in the 5-year period beginning in 1909. However, the quantity used for food and feed in these same countries declined by almost the same percentage.

World wheat shipments in 1939-40 may be about unchanged from 1938-39

The prospective demand for wheat and availability of transport facilities are not sufficiently clear at this time to indicate the probable world movement of wheat this year and next. However, it is not expected that world wheat shipments for the year beginning July 1, 1939 will be greatly different from shipments in the year just past, when they totaled about 600 million bushels. On the other hand, the general level of commodity prices is expected to remain higher than last year. Stocks in importing countries are very large at present

compared with stocks in 1914. World shipments were 556 million bushels in 1914-15 (table 2); 575 million bushels in 1915-16; 526 million bushels in 1916-17; 378 million bushels in 1917-18 and 511 million bushels in 1918-19.

Table 2.- World shipments and shipments to Europe and non-Europe, years beginning July, averages, 1910-14, 1930-34, annual 1937, 1938

Item	Average 1910-14	1914	1915	1916	Average 1930-34	1937	1938
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Europe	539	504	516	498	490	399	451
Non-Europe	79	52	59	28	161	98	147
World	618	556	575	526	651	497	598

Reported in Broomhall's Corn Trade News.

At the beginning of the World War, exports from Russia were large but then declined sharply, whereas in recent years they have been small. In 1914-15 Russia had net exports of 90 million bushels, but in 1915-16 and 1916-17, net exports amounted to only 8 and 15 million bushels, respectively. During the last 5 years (1934-38) net exports from Russia have averaged 22 million bushels. It is not expected exports will be large in 1939-40, because the crop in Russia is not large and surplus supplies may be retained because of hostilities in Europe.

Net imports of wheat by the United Kingdom in 1939 may not be greatly different from those in 1938 when they were 202 million bushels. For the 1914 and 1915 calendar years they were 213 and 187 million bushels, respectively. Net imports by France may not exceed 10 million bushels. In 1938 France had net exports of 13 million bushels and in 1937 had 12 million bushels. Supplies of bread grains in Germany are large enough so that there will be no difficulty in meeting domestic needs, even though no imports are made. Supplies in Italy are also large and the new crop is expected to come close to meeting domestic needs. Table 3 shows net imports into these 4 countries and also Belgium and Netherlands, two other important wheat importing countries, for current years compared with post and early war years. These 6 countries constitute the most important European importers; and in 1930-34 took about 3/4 of the total for Europe.

Table 3.- Total net imports of wheat including flour to specified countries, calendar years, averages 1910-14 1/ 1930-34, annual, 1937, 1938

Country	Average 1910-14 1/	1914	1915	1916	Average 1930-34	1937	1938
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United Kingdom	215	213	187	209	217	195	202
Italy	52	33	82	73	34	53	6
Germany	69	2/	2/	2/	18	47	48
France	43	63	71	104	36	12	13
Belgium	51	2/	2/	2/	44	39	33
Netherlands ...	23	20	27	30	28	23	27
Total (6) ...	453	2/	2/	2/	377	369	329

1/ Year beginning July.
2/ Data incomplete due to world war.
Compiled from official publications.

Wheat exports, including flour, from the United States to these 6 countries, together with total United States exports, are shown in table 4.

Table 4.- United States exports of wheat, including flour 1/ to specified countries and total, calendar years, averages 1910-14 and 1930-34, annual 1914, 1915, 1916, 1937 and 1938

Country	Average 1910-14	1914	1915	1916	Average 1930-34	1937	1938
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United Kingdom	40	68	58	74	12	7	28
Italy	6	21	52	24	1	1/	1
Germany	7	6	1/	0	2	1	2
France	8	30	44	34	3	1	1
Belgium	7	7	6	4	5	6	12
Netherlands ...	15	25	33	23	6	9	17
Total (6)....	83	157	193	159	29	24	61
U.S. total ..	130	234	280	222	84	56	111

1/ Includes flour milled in bond from foreign wheat. 2/ Less than 500,000 bushels.

Compiled from Foreign Commerce and Navigation of the United States, and official records of the Bureau of Foreign and Domestic Commerce.

Unusually large exports from the United States were possible in 1914 because of very small crops in Canada and Australia and a record crop in the United States. In 1939-40 the situation is different. Canada and Argentina have very large supplies. On August 1, 1939, Argentina had 144 million bushels of wheat available for export and Canada 102 million bushels. The new harvest is expected to provide an additional surplus for export of approximately 345 million bushels by Canada and approximately 130 million by Argentina. In other words, surplus supplies in these two countries alone, totaling over 700 million bushels, could more than supply likely world import requirements.

The United Kingdom which is the world's largest importer of wheat imported 68 million bushels of United States wheat and flour from the United States in 1914, 58 million bushels in 1915 and 74 million bushels in 1916, compared with 12 million bushels in the period 1930-34 and 7 million bushels in 1937. (table 4). With the aid of the export subsidy imports of United States wheat and flour were raised to 28 million bushels in 1938. Table 5 shows gross imports of wheat into the United Kingdom from other countries as well as from the United States. While the figures for the United States are not comparable with those in table 4, because Canadian grain shipped via the United States is included with United States grain, the table indicates the relative importance of other countries in supplying the United Kingdom with wheat. Table 6 shows wheat production in the countries supplying the United Kingdom with imports. Record United States crops in 1914 and 1915 with small crops in other exporting countries was associated with relatively large exports from the United States. Production in Canada, Australia and Argentina is considerably larger now than in 1914 and 1915, and United Kingdom imports from the United States have declined.

Table 5.- United Kingdom gross imports of wheat, including flour, by countries of origin, calendar years, 1914-16, 1938

Country	1914	1915	1916	1938
	Million bushels	Million bushels	Million bushels	Million bushels
United States 1/	78	95	134	30
Canada	67	45	51	63
Australia	23	1/	8	65
British India	20	26	10	8
Russia	14	2	2/	18
Argentina	12	23	8	12
Others	6	1	1	13
Total	220	192	212	209

1/ Includes Canadian exports of wheat and flour via the United States, as well as flour milled in bond from Canadian wheat.
2/ Less than 500 million bushels.

Table 6.- Wheat production in countries supplying the United Kingdom with imports, calendar years, 1914-16, 1938

Country	1914	1915	1916	1938	1939 1/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States	879	1,009	635	931	736
Canada	161	394	263	350	449
Australia	25	179	152	154	160
British India	312	377	323	402	371
Russia 2/	834	827	531	3/	3/
Argentina	169	169	84	336	230

1/ Preliminary. 2/ Not strictly comparable prior to 1916 because boundaries were changed. 3/ Not available.

Table 13 shows the supplies available for export in important surplus producing countries and tables 14 to 18 the current movement in international wheat and flour with comparisons.

Wheat prices advance with the declaration of war

Wheat prices in Winnipeg averaged 12 cents higher for the week ended September 16 than for the week ended August 26, influenced by the declaration of war in Europe (table 7). The Liverpool market has been closed and prices in Argentina are determined by Government policy.

Table 7.- Average closing price of December wheat futures, specified markets and dates, 1938 and 1939

Month or date	Winnipeg 1/		Liverpool 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
July	76.0	56.0	82.6	57.4	---	---	72.9	67.6	67.6	62.9	76.9	70.6
Aug.	68.1	55.2	75.5	54.4	---	---	65.8	66.3	61.5	61.2	68.8	69.0
Week ended-												
Aug. 5	73.9	54.8	78.8	56.3	---	---	68.2	65.5	63.4	60.6	72.0	68.9
12	69.9	53.4	75.7	54.8	---	---	64.7	64.4	60.0	59.5	68.1	67.4
19	67.0	52.9	74.7	53.4	2/65.1	---	65.2	65.5	61.0	60.3	68.0	68.6
26	65.2	58.2	74.6	55.4	2/63.8	2/58.5	65.2	68.7	61.4	63.2	67.7	70.9
Sept. 2	61.0	59.6	72.2	52.4	2/61.9	2/55.1	64.7	70.4	61.2	65.3	66.6	72.0
9	59.0	73.0	67.6	4/	3/57.4	2/54.3	62.5	85.1	59.3	79.8	64.4	86.7
16	63.6	70.4	71.4	----	3/61.2	2/53.3	65.7	85.4	61.6	80.7	67.6	86.9
High 5/	77.6	73.0	83.0	60.5	6/65.1	2/58.5	74.7	85.4	68.9	80.7	78.5	86.9
Low 5/	59.0	52.9	67.6	52.4	6/57.4	2/53.3	62.5	64.4	59.3	59.5	64.4	67.4

1/ Conversions at noon buying rate of exchange. 2/ October futures. 3/ November futures. 4/ Closed until further notice. 5/ July 8 to September 16, 1939, and corresponding dates, 1938. 6/ October and November futures.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of old wheat in the United States averaged about 220 million bushels in the 10-year period 1929-38. In 1933 stocks reached a record peak of about 360 million bushels. The domestic disappearance during the 10 years, 1929-38, averaged about 685 million bushels.

Domestic wheat prices from the spring of 1933 to that of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During the year beginning July 1936, both world and domestic prices advanced sharply as a result of increased demand and small supplies. Prices received by producers for the 1936-37 season averaged 103 cents per bushel, for the 1937-38 season, 96 cents, and for the 1938-39 season, 55 cents. Prices were lower in 1938-39 largely as the result of the large world wheat supplies.

Domestic wheat supplies in 1939 about equal to supplies in 1914

Wheat supplies in the United States are estimated at 990 million bushels compared with 997 million bushels in 1914. (table 8). While annual domestic consumption has increased about 85 million bushels since 1914 (table 8) the decline in exports (table 4) has been much greater than the increase in domestic consumption. Domestic disappearance for the year beginning July 1, 1939, is forecast at about 695 million bushels. Deducting this from the estimated supply would leave 295 million bushels for export or carry-over. If exports should turn out to be near the 10-year (1928-37) average of about 70 million bushels, this would result in a carry-over on July 1, 1940 of about 225 million bushels.

Table 8.- Estimated United States wheat supply and distribution, selected years

A.- 5-year (1909-13) average and 1913-16 annual

Item	5-year (1910-14) average	1913	1914	1915	1916
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Supply:					
Stocks of old wheat, July 1	102	110	100	52	210
Production	724	751	897	1,009	635
Total supplies	826	861	997	1,061	845
Distribution					
Domestic disappearance	578	615	610	611	599
Net exports	155	146	335	240	181
Stocks at end of year	93	100	52	210	65

Continued -

Table 8.- Estimated United States wheat supply and distribution, selected years. Continued

B.- 5-year (1924-29 and 10-year (1928-37) averages, and 1937-39 annual

Item	5-year (1924-28) average	10-year (1928-37) average	1937	1938	1939 3/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Supply					
Stocks, of old wheat July 1	94	216	83	153	254
Production	826	753	876	931	736
Total supplies	920	969	959	1,084	990
Distribution					
Domestic disappearance 1/	631	685	703	723	695
Net exports	177	62 (2/97)	103	107(	295
Stocks at end of year	112	222	153	254(	

1/ Includes shipments to territories.
2/ Average of 7 years with net imports in 1934-36 omitted, is 97 million bushels.
3/ Preliminary.

United States production in 1940 expected to provide sizable exports

In late August, seedings for the 1940 crop were expected to approximate the 66.9 million-acre average seeded in the 5-year period 1929-33, during which acreages changed but little and which is slightly above the 62 million acreage allotment of AAA. Seedings for the 1939 crop were 64.6 million acres. Average yields (1919-38) of 11.74 bushels per seeded acre on 67 million acres would produce a crop of 785 million bushels. This would be 100 million bushels more than the 10-year (1929-38) average domestic disappearance, and provide for exports of 100 million bushels without reducing the carry-over. If more than 67 million acres are seeded and average yields are obtained, the excess over average domestic disappearance would be correspondingly larger.

Wheat prices in 1915 averaged slightly lower than in 1914.

Prices of wheat received by growers in the United States averaged 85 cents in August 1914, the month in which War was declared. In September they averaged 93 cents, 95 cents in October, 98 cents in November and 108 cents in December. This advance was only partly the result of the war, and partly a reflection of the very small crop in Canada in that year (table 7). Subsequently there was a crop failure in Australia (table 9). In 1915 the United States wheat crop at 1,009 million bushels, and the world wheat crop at 3,520 million bushels, were both the highest on record up to that time and prices averaged slightly lower than for the previous crop. The 1916 crop was the first one which sold for higher prices following the outbreak of the war in 1914.

The price advance in 1916-17 was accompanied by such small crops in the United States and Argentina (table 9) that world production was reduced to below average consumption levels, and was also accompanied by the entry of the United States in the war in April 1917.

Table 9.- Wheat price to United States growers and production in the world and selected countries, 1914-16, 1938

Year beginning July	Average price received by U. S. growers	World	United States	Canada	Australia	Argentina
	Cents	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1914	97.4	2,884	897	161	25	169
1915	96.1	3,520	1,009	394	179	169
1916	143.4	2,717	635	263	152	84
1938	54.7	4,572	931	350	154	336

1/ Preliminary.

Wheat prices advance in September 1939

Wheat prices in the United States advanced the first week in September, following the outbreak of the war in Europe. Prices at Kansas City in late August were about 10 cents below the loan rates and rose to about that much above loan rates during the first week in September. For the week ended September 16 they averaged 9 cents above the rate. The fact that market sales of cash wheat have been very small in most markets has been an important market factor. Less wheat arrived at Kansas City during August than ever before during that month.

In spite of the fact that world wheat supplies are expected to be the largest on record, wheat prices in the United States are high relative to export parity as a result of a United States crop only moderately above annual domestic disappearance, a relatively large proportion of the wheat crop being placed for loan, and the continuance of the export-aid program in 1939-40. Subsidy payments to exporters amounted to around 35 cents per bushel the latter part of August, at which time the price of United States No. 1 Dark Hard Winter wheat at Liverpool was 55 to 60 cents per bushel. The amount of the subsidy payments represented the spread that United States export wheat prices were above export parity for such quantities as were exported. Since that time the grain markets in Liverpool and Rotterdam have been closed and there is no basis for determining parity levels. Recently, the wheat subsidy has been about 25 cents per bushel but this has been on scattered sales to non-European countries and does not furnish a basis for

estimating general export parity levels at present. Indemnified flour sales have been substantial since the war started and have been widely distributed among importing countries. Table 10 shows the spread between domestic wheat prices and prices at Winnipeg. Table 11 shows current weighted average cash prices in important domestic markets compared with a year earlier.

Table 10.- Spreads between domestic wheat prices and prices at Winnipeg and Liverpool, specified periods, 1937-39

Month and year	December futures per bushel				Cash wheat per bushel	
	Chicago related to		Kansas City related to		No. 2 Hard Winter (Kansas City) related to	
	Winnipeg	Liverpool	Winnipeg	Liverpool	No. 3 Manitoba (Winnipeg)	Parcels (Liverpool)
	Cents	Cents	Cents	Cents	Cents	Cents
July						
1937	- 9.5	- 15.7	- 13.8	- 20.0	- 16.4	- 20.6
1938	- 3.1	- 9.7	- 8.4	- 15.0	- 20.1	- 28.2
1939	11.6	10.2	6.9	5.5	20.1	12.7
August						
1937	- 16.5	- 11.3	- 17.5	- 22.7	- 10.1	- 23.0
1938	- 2.3	- 9.7	- 6.6	- 14.0	- 6.1	- 19.2
1939	11.1	11.9	6.0	6.8	17.4	13.6
Week ended Sept.16						
1937	- 19.1	- 25.5	- 24.6	- 31.0	- 12.8	1/
1938	2.1	- 5.7	- 2.0	- 9.8	5.9	-
1939	15.0	2/	10.3	2/	22.0	-

1/ Not available.
2/ Liverpool closed until further notice.

(-) before figure denotes Chicago or Kansas City below Winnipeg or Liverpool.

Table 11.- Weighted average cash price of wheat, specified markets and dates, 1938 and 1939

Month or date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month-												
June	81.3	74.5	76.7	70.9	105.0	84.4	90.0	76.4	74.8	73.4	73.7	72.3
July	68.4	67.5	70.0	66.7	87.6	77.8	79.8	73.3	68.9	68.5	67.8	68.6
Aug.	59.9	63.2	65.5	64.6	77.5	76.2	73.1	80.1	65.6	68.5	61.2	69.5
Week ended-												
Aug. 5	67.6	69.7	67.4	66.7	80.5	76.7	72.1	78.5	66.7	68.6	63.9	69.4
12	67.0	70.7	63.7	62.8	76.4	74.8	74.2	77.9	63.5	66.8	59.7	68.7
19	69.3	71.3	64.6	64.4	76.8	76.1	74.4	79.8	66.3	69.4	59.8	69.3
26	71.0	75.6	65.4	67.3	77.4	78.4	73.5	81.5	66.4	70.9	61.0	70.4
Sept. 2	69.5	77.3	66.7	67.5	76.2	81.3	69.5	83.1	66.6	73.0	62.1	70.6
9	66.8	92.9	62.8	87.0	75.3	94.6	67.6	97.9	64.1	94.2	61.0	84.2
16	69.4	91.1	64.6	86.0	78.8	94.1	70.1	95.9	67.4	89.6	63.6	81.4
High 2/	69.6	92.9	71.1	87.0	97.6	94.6	83.4	97.9	69.1	94.2	69.4	84.2
Low 2/	65.9	65.4	62.8	62.3	75.3	73.8	69.5	68.3	63.5	65.5	59.7	66.6

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ July 8 to Sept. 16, 1939, and corresponding dates for 1938.

ANALYSIS OF THE LOAN AND EXPORT SUBSIDY PROGRAMS IN 1938-39

A program to aid exports of wheat and flour from the United States was authorized in late August and early September 1938 with a view to avoiding unwieldy carry-over stocks in the United States on July 1, 1939, to secure a fair share of the world's trade, and to raise prices in the United States relative to world markets. As a result of the largest world wheat production in history the supply available for export in surplus-producing countries in 1938-39 was unusually large -- over 900 million bushels -- while world import takings were only about 600 million bushels. Other exporting countries had already adopted the policy of encouraging exports.

Under the program, the Federal Surplus Commodities Corporation purchased wheat on domestic markets from regular grain dealers and producers, and sold it to exporters at prices at which it could be sold to foreign buyers. Indemnity payments were made to exporters of flour at rates announced from Washington daily and in effect on the date of the sale of flour for export. The rates announced were related to the difference between domestic and export values of wheat.

Federal export program assisted in exports of 94 million bushels

For the year ended June 30, 1939, sales of wheat and flour for export totaled about 118 million bushels, of which about 107 million bushels were exported before the end of the fiscal year. These sales included 90 million bushels of wheat and 28 million bushels of wheat in the form of flour. Of the total sales for export, sales of approximately 94 million bushels were assisted by the Federal Export program, consisting of about 70 million bushels of wheat in the form of grain sold by the FSCC for export and 24 million bushels of wheat in the form of flour upon which an indemnity was paid. During the last part of the fiscal year, the FSCC purchased 4.4 million bushels of wheat from the Commodity Credit Corporation under the wheat loan liquidation program. This wheat is not included in the above figures. With the exception of this wheat bought from the CCC, purchases and sales of wheat by the FSCC were in balance at the end of the year.

The average purchase price of the 70 million bushels of wheat was 75.5 cents, and the average price at which the wheat was sold to exporters was 46.6 cents, the difference -- or the Government subsidy -- averaging about 29 cents per bushel. The average indemnity paid on the 24 million bushels of wheat exported in the form of flour was 22 cents per bushel. The averages of the two subsidies were not the same because the subsidy paid was adjusted to meet the competition in the world markets for each commodity separately, and also because sales were distributed differently during the year. Mill feeds were relatively high in price in this country. This made possible some reduction in flour prices and reduced the indemnity necessary to be paid to meet competition with flour exports by other countries.

Domestic wheat price level influenced by both loan and subsidy programs

The loan had an important influence on the level of domestic wheat prices, and it is difficult to separate the price and income effects of the loan and subsidy programs. Growers have been inclined to place their wheat under loan when market prices went down to from 2 to 5 cents below the loan value. The loan, therefore, tended to place a floor under domestic wheat prices, but this floor was rather flexible. If the domestic market had not been supported by the export subsidy program, the tendency for domestic prices to decline in line with world prices would have brought increasing quantities of wheat under loan, but probably not enough to prevent domestic prices from sagging considerably both absolutely and relative to foreign prices. The export subsidy, by alleviating the pressure of domestic supplies on domestic prices, combined with the loan program to hold up such prices relative to foreign prices. Domestic prices continued to be influenced by the same factors which influence foreign prices. However, with a fixed loan rate any decline in world prices made it necessary to raise the amount of the subsidy per bushel in order to maintain domestic prices; or, with higher world prices, the same total subsidy would have resulted in larger exports and higher domestic prices.

Wheat prices in the United States maintained above export parity

The subsidy paid was equal to the spread between the price of wheat on the domestic market and the price on foreign markets. The effect of the change in the spread was to maintain domestic wheat prices above export parity. This change in the spread between domestic and foreign prices from what it would have been without a subsidy would be expected to reflect both an increase in the domestic price and a decrease in the foreign price. Prices in other countries would be lowered at least to some extent because the supply of wheat in the world ex-United States was increased as a result of the operation of the export subsidy; whereas, the resulting decrease in domestic supplies would tend to raise prices in this country. However, it appears that most of the subsidy's effect was on domestic prices.

An analysis by the Bureau indicates that a very large part of the annual fluctuations in wheat prices at Liverpool, for the period 1924-37, have been accounted for by changes in world supplies of wheat and in the level of wholesale commodity prices in Great Britain. Using this analysis, the estimated price for 1938-39 was found to be in line with what would have been expected on the basis of world supplies and the general level of wholesale prices. In other words, on the basis of this test, no appreciable effect of the United States wheat export subsidy on world wheat prices was discernable.

If only the depressing influence of the subsidy were examined without consideration of offsetting influences, it would naturally be expected that Liverpool prices would have been depressed some. There were about 24 million bushels of wheat and flour in terms of wheat exported before the time the subsidy came into operation. Even without a subsidy program some additional exports would have been made during the remainder of the year. Even if exports of as much as 50 million bushels would have taken place without a program, exports of about 60 million bushels could be attributed to the program. An increase of this quantity in the world supply ex-United States is associated with a decrease in price of about 5 cents on the basis of the average relationships for the past 14 years of prices at Liverpool, adjusted by wholesale commodity prices in Great Britain, and world ex-United States supplies of wheat. If exports without the subsidy would have amounted to 75 million bushels, the indicated effect on world price would have been only about 2-1/2 cents.

In these statistical analyses the data used covered only 14 years. Owing to the technical difficulties involved in using data for so short a period, very accurate measurements of the effect of the subsidy cannot be expected. Consequently, findings should be considered as indications rather than actual measurements.

In conclusion, it appears that any depressing effect the subsidy may have had on foreign prices was largely offset by other factors. Fundamentally, the Liverpool price is related to world supplies and demand, and the quantity of wheat trade. The export subsidy did not change the world supply of wheat, although it did change the supply situation as regards the world supply ex-United States. Moreover, in 1938-39, the quantity of wheat which was sold in

international trade probably would have been about the same with or without the United States subsidy.

Loan and subsidy programs increased returns to United States growers

If it is assumed that prices in importing countries were not lowered by the United States export subsidy programs, it would appear that the American wheat growers benefited to the extent of about 57 million dollars, whereas the cost of the subsidy was about 26 million dollars, excluding the cost of administration, figures for which are not available. While the Commodity Credit Corporation has not released an estimate of the expenses charged against the 1938-39 wheat loan program, it seems reasonable to expect that the total might approximate about 16 million dollars, excluding the cost of administration.

On the basis of a total of 57 million dollars, the enhancement in price of marketings by growers during the September-June period in which the programs were in operation, was about 17-1/2 cents per bushel. The 1938 wheat loan and subsidy programs did not become available until many growers had disposed of their wheat. Actually only 85 million bushels came under loan from that crop.

The returns to wheat growers were computed as follows: The estimated quantities of wheat sold by growers monthly, adjusted for wheat placed under loan and later liquidated on a monthly basis, was multiplied by the monthly average price received by growers. This was assumed to represent the results under the programs. Then, the quantities which it was assumed would have been marketed monthly without the effect of any loan program were multiplied by the price of wheat parcels at Liverpool less 28 cents. This was assumed to represent the results without the loan and subsidy programs. The price of parcels at Liverpool were reduced by 28 cents because United States exports of 100 to 110 million bushels in the past have been associated with prices to growers in the United States being about 28 cents below the price of parcels at Liverpool. The actual spreads in August and September, 1938 were 34, and 26-1/2 cents respectively.

Benefits would have been greater if world prices had not declined

Prices received by growers during the time the loan and subsidy programs were in effect reflected not only a change in spread between domestic prices and prices in other countries but also a change in the general wheat price level. For example, in August, 1938, the average wheat price to United States growers was 51 cents when Liverpool was 85 cents, or the farm price in the United States was 34 cents below the market price at Liverpool. In May 1939 the price to United States growers averaged 63 cents and prices at Liverpool averaged about the same. The spread had changed about 34 cents. However, while the price to United States growers had increased from 51 cents to 63 cents, the price at Liverpool had declined from 85 cents to 63 cents.

Had prices in Liverpool and other foreign markets not declined returns to growers with the programs in operation would have been higher than they actually were. As it was, most of the benefits to growers from raising domestic prices relative to world prices was offset by the decline in the world price of wheat, which to only a slight degree may be attributed to the subsidy program.

Table 12.- Production of wheat in specified countries, 1936 to 1939

Country	1936	1937	1938	1939
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTHERN HEMISPHERE:				
North America:				
United States	626,766	875,676	930,801	736,115
Canada	219,218	180,210	350,010	449,058
Mexico	13,581	10,587	13,425	1/ 13,000
Total (3)	859,565	1,066,473	1,294,236	1,198,173
Europe:				
England and Wales	51,445	52,005	69,253	56,149
Scotland	3,547	4,181	3,883	3,360
Northern Ireland	273	164	213	152
Ireland	7,839	6,990	7,398	2/ 8,000
Norway	2,094	2,497	2,637	2/ 2,300
Sweden	21,635	25,720	30,184	2/ 28,000
Denmark	11,266	13,521	16,935	2/ 14,000
Netherlands	15,428	12,615	15,939	13,301
Belgium	16,153	15,550	20,131	2/ 16,000
France	254,618	257,838	372,867	2/ 276,000
Spain	121,457	110,000	96,000	112,000
Luxemburg	1,071	1,206	1,830	872
Portugal	8,651	14,668	16,534	2/ 18,300
Italy	224,570	296,282	297,319	294,400
Switzerland	4,470	6,184	7,805	6,577
Germany	162,660	164,120	204,956	(2/3/210,000
Austria	14,039	14,709	16,207	(
Czechoslovakia	55,583	51,266	65,708	2/ 40,000
Greece	19,537	30,049	36,135	35,274
Poland	78,357	70,774	79,802	83,407
Lithuania	8,027	8,109	9,233	9,223
Latvia	5,272	6,302	7,052	2/ 6,500
Estonia	2,433	2,786	3,139	2,756
Finland	5,259	7,665	9,405	8,231
Malta	236	326	296	1/ 300
Albania	1,106	1,636	1,650	1/ 1,600
Total (26)	1,097,026	1,177,163	1,392,511	1,246,702

Continued -

Table 12.- Production of wheat in specified countries, 1936 to 1939 - Continued

Country	1936	1937	1938	1939
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTHERN HEMISPHERE - Continued				
Europe:				
Bulgaria	60,351	64,910	78,951	71,155
Hungary	87,789	72,157	98,777	4/ 112,104
Rumania	128,717	138,158	177,154	176,368
Yugoslavia	107,422	86,238	111,330	103,726
Total (4)	384,279	361,463	466,212	463,353
Total Europe (30)	1,481,305	1,538,626	1,858,723	1,710,055
Africa:				
Algeria	29,774	33,106	34,941	44,827
Morocco	12,234	20,895	23,172	38,764
Tunisia	8,083	17,637	13,963	18,555
Egypt	45,700	45,377	45,933	49,016
Total (4)	95,791	117,015	118,009	151,162
Asia:				
Palestine	2,795	4,682	1,633	5,000
Syria and Lebanon	15,704	17,227	23,674	1/ 22,000
India	352,203	364,075	401,856	370,608
Japan	45,191	50,407	45,244	5/ 61,036
Chosen	8,161	10,323	10,401	12,286
Turkey	141,582	132,985	156,097	1/ 158,000
Total (6)	565,636	579,699	638,905	628,930
Total 43 countries	3,002,297	3,301,813	3,909,873	3,688,320
Estimated Northern Hemisphere total, excluding Russia and China	3,107,000	3,406,000	4,014,000	3,791,367
SOUTHERN HEMISPHERE:				
Argentina	249,193	184,801	336,201	6/ 230,000
Australia	151,390	187,256	154,543	1/ 160,000
Union of South Africa	16,077	10,157	17,093	1/ 15,000
Estimated world total, excluding Russia and China	3,579,000	3,852,000	4,588,000	4,264,000

1/ Approximation.
2/ Estimate of the London office of the Bureau.
3/ Includes Austria and the Sudetenland.
4/ Production within new boundaries.
5/ The Shanghai office of the Foreign Service considers this estimate too high.
6/ Based on weather conditions to date.

Compiled from official data except as otherwise noted.

Table 13.- Wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks and stocks afloat, September 1, 1936-39 1/

Position	1936	1937	1938	1939
	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.
Canada				
In Canada	207	106	263	429
In the United States	18	3	1	7
Argentina	25	13	25	137
Australia	28	20	26	37
Total	278	142	315	610
United Kingdom port stocks	8	11	16	2/
Stocks afloat to:				
United Kingdom	13	7	10	12
Continent	7	7	14	12
Orders	4	6	15	6
Total	32	31	55	
Grand total	310	173	370	

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year minus monthly exports to date.
2/ Not available.

Table 14.- Net imports of wheat including flour, into European countries, years beginning July 1, 1937 to 1939

Country	1937-38	1938-39	Reported net imports July 1 to	1938-39	1939-40
	Mil.bu.	Mil.bu.		Mil.bu.	Mil.bu.
Belgium	36	39			
Czechoslovakia	1/ - 1	1/ - 1			
Denmark	6	5	July 31	1	2/
Finland	3	2			
France	15	1/ - 1			
Germany)					
Austria)	54	45			
Greece	18	13			
Ireland	14	17	July 31	1	2
Italy	5	14			
Latvia	1	0			
Netherlands	24	29	July 31	2	4
Norway	7	8			
Poland	3/	1/ - 3			
Portugal	1	4			
Sweden	1/ - 1	2	July 31	2/	2/
Switzerland	14	17	July 31	1	2
United Kingdom	193	220	July 31	18	27
Total imports of above	391	415			
Spain	3	16			
Total imports	394	431			
Total exports	2	5			
Total net imports	392	426			

Compiled from official sources except as otherwise stated.

1/ Net exports.
2/ Less than 500,000 bushels.

Table 15.- Movement of wheat, including flour, from principal exporting countries, 1935-36 to 1938-39

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1935-36	1936-37	1937-38	1937-38	1938-39	1939-40	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	15,929	21,584	107,194	3,385	12,764	7,414	July 31
Canada	237,447	213,028	94,546	17,954	16,076	27,575	Aug. 31
Argentina	76,577	162,977	69,670	3,707	5,517	11,383	July 31
Australia	105,328	97,712	123,453	7,121	8,410	6,068	July 31
Soviet Union	29,704	4,479	43,354				
Hungary	14,644	27,428	9,368				
Yugoslavia	728	17,954	5,012				
Rumania	6,392	36,264	32,962				
Bulgaria	988	7,273	8,484				
British India	2,556	16,571	19,677				
	490,293	605,270	513,720				

	Shipments as given by trade sources						
	Total		Week ended 1939			July 1 - Sept.16	
	1937-38	1938-39	Sept. 2	Sept. 9	Sept.16	1938	1939
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	184,720	245,296	2,676	4,806	2,351	44,936	35,909
Canada 3/	94,546	169,885	2,100	----	----	4/20,300	4/30,000
United States 5/	83,589	94,157	1,727	375	1,170	22,289	13,964
Argentina	66,928	114,272	2,771	4,669	2,834	14,188	36,350
Australia	127,520	102,116	292	----	----	22,472	11,028
Soviet Union	42,248	39,824	192	0	0	24,024	1,536
Danube and Bulgaria 6/	37,232	52,848	520	384	200	2,952	6,832
British India	7/19,677	6,280	0	0	0	6,024	0
Total 8/	478,325	560,636				114,596	91,655
Total European shipments 2/	397,592	450,784	5,728			4/78,720	4/68,440
Total ex-European shipments 2/	99,400	146,760	1,176			4/19,552	4/22,120

1/ Includes flour milled in bond from foreign wheat.
2/ Broomhall's Corn Trade News.
3/ Official exports as reported to date, supplemented by reported weekly clearances of wheat, and estimates of flour shipments.
4/ Through September 2 only.
5/ Official reports received from 16 principal ports only.
6/ Black Sea shipments only.
7/ Official.
8/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.

Table 16.- Shipments of wheat, including flour from principal exporting countries, specified dates, 1938 and 1939

Period	Argentina		Australia		Danube		North America	
	1938	1939	1938	1939	1938	1939	1938	1939
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
July	6,544	12,384	7,144	6,132	552	4,672	16,664	15,376
Week ended-								
Aug. 5	1,116	3,240	2,608	880	0	312	4,288	3,920
12	1,032	3,544	2,104	880	312	152	4,192	4,856
19	600	2,672	2,104	1,160	192	168	4,376	5,832
26	1,572	4,236	2,576	1,684	672	424	3,760	3,840
Sept. 2	1,444	2,771	2,160	292	144	520	4,104	2,676
9	764	4,669	1,456	1/	456	384	3,400	4,806
16	1,116	2,834	1,380	1/	624	200	4,152	2,351

Compiled from Broomhall's Corn Trade News.

1/ Not available.

Table 17.-Exports of wheat and wheat flour from the United States, 1938 and 1939

(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat including flour	
	1938	1939	1938	1939	1938	1939
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July	10,844	2,977	409	944	12,764	7,414
Week ended 1/						
Aug. 5	1,673	509	36	50	1,842	744
12	2,196	507	71	139	2,530	1,160
19	2,469	1,313	25	59	2,587	1,590
26	2,478	1,436	35	132	2,642	2,056
Sept. 2	1,832	1,243	70	103	2,161	1,727
9	558	149	42	48	755	375
16	508	2/ 775	68	2/ 84	828	2/1,170

Compiled from reports of the Department of Commerce.

1/ Data for total exports from the United States by weeks are not available. These data represent exports through 16 of the principal ports.
2/ Preliminary.

Table 18.- Average price per bushel of wheat received by farmers, United States, 1908-39

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Crop year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1908	90.0	89.6	89.6	91.0	92.2	93.2	94.4	99.6	105.4	111.4	119.7	122.2	94.8
1909	114.0	101.2	94.9	97.2	99.2	101.0	104.2	105.0	104.8	102.2	98.8	96.4	100.7
1910	97.1	97.4	94.8	92.1	89.4	88.4	89.2	87.6	84.6	84.2	85.4	85.3	91.7
1911	83.5	83.8	86.6	90.0	89.4	87.7	89.2	90.6	91.6	96.1	101.2	100.9	88.3
1912	94.4	87.8	84.6	83.6	79.9	76.1	78.0	80.2	79.8	80.0	81.8	82.0	83.3
1913	79.2	77.1	77.5	77.4	78.4	80.4	81.3	82.4	83.6	84.0	84.2	80.6	79.3
1914	76.7	84.9	93.4	95.4	97.9	103.2	118.8	131.8	132.6	135.6	135.6	117.2	99.4
1915	104.6	100.8	93.0	92.0	92.5	97.4	108.4	108.4	100.8	100.6	101.2	96.5	98.2
1916	100.0	119.2	133.8	147.4	159.4	155.3	157.6	164.6	172.2	213.0	247.2	234.3	144.4
1917	224.5	219.3	205.2	200.3	200.4	201.4	201.6	202.0	202.6	203.1	203.0	202.8	205.8
1918	203.8	205.0	205.7	205.9	205.1	204.5	206.2	207.8	211.1	222.6	229.8	225.2	206.3
1919	219.6	211.4	207.6	211.4	214.0	223.4	233.8	231.2	230.3	242.6	250.8	256.0	216.3
1920	242.9	225.4	216.5	201.2	165.8	146.4	149.2	148.2	140.4	122.1	119.0	119.8	182.6
1921	108.5	103.0	103.4	99.9	93.4	93.0	95.2	107.0	117.0	119.0	118.8	109.6	103.0
1922	99.8	92.6	89.2	94.1	99.4	103.2	104.6	104.4	106.0	108.4	108.2	100.8	96.6
1923	89.6	86.4	91.0	94.2	93.7	94.5	96.7	98.0	98.8	95.8	96.8	98.5	92.6
1924	105.8	116.8	114.2	129.7	133.6	141.1	162.1	169.8	164.0	140.5	149.1	152.7	124.7
1925	140.3	150.4	144.4	136.4	148.8	153.7	158.1	155.5	146.0	142.2	142.1	138.9	143.7
1926	127.7	125.1	117.7	121.4	123.6	122.8	122.2	122.8	120.9	117.2	123.2	130.1	121.7
1927	127.3	123.5	119.2	113.7	111.4	113.9	115.2	116.2	121.6	129.2	144.3	132.0	119.0
1928	118.1	95.2	94.4	98.7	97.1	98.2	98.5	104.2	104.7	99.8	90.1	86.8	99.8
1929	101.6	110.0	111.4	110.7	102.8	107.3	107.5	101.3	91.9	93.4	87.5	87.9	103.6
1930	70.6	74.0	70.3	65.6	60.0	61.3	59.1	58.7	58.3	59.2	59.9	51.9	67.1
1931	36.3	35.4	35.7	36.1	50.5	44.1	44.1	44.0	44.2	43.1	42.4	37.3	39.0
1932	35.6	38.5	37.4	34.6	32.8	31.6	32.9	32.3	34.5	44.8	59.0	58.7	38.2
1933	86.9	74.7	71.1	63.6	71.1	67.3	69.4	72.0	70.9	68.7	69.5	78.9	74.4
1934	78.8	89.6	92.2	88.5	88.1	90.6	89.3	87.9	85.5	90.2	87.8	77.3	84.8
1935	76.4	80.8	85.2	95.1	87.6	89.0	92.0	91.1	89.5	85.4	81.6	79.9	83.2
1936	94.1	105.1	104.3	106.8	106.4	114.5	123.6	124.9	123.2	126.6	118.3	108.9	102.6
1937	112.8	99.4	93.0	88.7	81.9	83.6	88.6	86.6	80.3	75.0	71.4	69.7	96.3
1938	60.8	50.7	52.5	52.2	52.0	53.6	57.1	56.9	56.7	57.8	63.0	62.5	1/54.7
1939	55.7	54.5											

1/ Preliminary.

Agricultural Market Service, based on returns from special price reporters. Monthly prices by States weighted by production to obtain a price for the United States; average for the year obtained by weighting State price averages for the crop-marketing season.

RYE PRODUCTION

The world rye crop in 1939 will again be large. Rye production in the 15 countries for which reports are available shows an increase of about 3 percent, compared with that of last year (table 19). These countries, however, represented only about 45 percent of the production in 1938. Among the missing estimates are those for some of the largest producing countries, notably Germany. The 12 European countries reporting show a net gain of 5 percent, compared with the production in these countries last year. It should, however, be noted that production in Hungary and Poland is reported on the basis of new boundaries and is, therefore not strictly comparable with the previous years. Production in Canada is the largest since 1930.

Table 19.-Rye: Production in specified countries, 1936-39

Country	1936	1937	1938	1939
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
United States	25,319	49,830	55,039	40,834
Canada	4,281	5,771	10,988	16,549
Total (2)	29,600	55,601	66,027	57,383
Europe:				
Bulgaria	8,188	9,387	7,397	9,674
Estonia	6,044	8,327	7,403	7,441
Finland	12,134	16,982	14,491	12,755
Greece	1,654	2,569	2,439	2,401
Hungary	28,114	24,325	31,677	1/ 36,691
Italy	5,204	5,701	5,428	5,945
Luxemburg	449	392	507	483
Poland	250,536	221,949	285,551	1/300,377
Rumania	17,842	17,768	20,362	19,062
Spain	18,053	2/ 19,700	2/ 16,900	17,212
Switzerland	1,077	1,296	1,449	1,378
Yugoslavia	8,002	8,243	8,941	9,645
Total (12)	357,297	336,639	402,545	423,064
Algeria	29	37	44	44
Total (15)	386,926	392,277	468,616	480,491

1/ New boundaries and therefore not strictly comparable with previous years.
2/ Estimated.